DOCUMENT RESUME

ED 052 528 EA 003 595

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TITLE Program Budgeting as an Analytical Tool for School District Planning.
REPORT NO P-4031
PUB DATE Feb 69
NOTE 7p.

EDRS PRICE EDRS Price MF-$0.65 HC-$3.29
DESCRIPTORS Budgeting, Cost Effectiveness, *Decision Making, Educational Administration, Educational Objectives, Educational Planning, *Management Systems, Planning, *Program Budgeting, Programing, *Resource Allocations, School Districts, Systems Analysis, *Systems Analysts

ABSTRACT

A fully developed planning, programing, and budgeting system comprises more than the program budget and its financial information; it is a system of analysis intended to assist the decisionmaker in choosing among alternative courses of action for the school district programs. Its most salient feature is its usefulness as a general analytical tool for educational planning. (Author/RA)

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ED052528

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PROGRAM BUDGETING AS AN ANALYTICAL TOOL FOR SCHOOL DISTRICT PLANNING

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A fully developed planning, programming and budgeting system comprises more than the program budget and its record of program and financial information; it is, in fact, a system of analysis intended to assist the decisionmaker in choosing among alternative courses of action that involve school-district programs. Looked at in this way, the program budgeting process can be thought of as a special kind of system analysis in which the programs of an institution and the institution as a whole are the systems. The system-analytical side of program budgeting is one of its most valuable features.

This feature of program budgeting--its use as an analytical tool for educational planning--requires the application of general analytical techniques. It will be helpful to sketch the total process briefly and to show how the program budget and the system-analytical activities are interwoven. (See Chart.)

Several activities are involved in the program budgeting process. The process itself, in district planning, begins with the statement of objectives and the categorization of district activities, or programs, by objectives. This relatively detailed categorization provides the program structure composed of objectives and programs--P1, P2, to Pn. The program structure is the format for the program budget--it is the means of organizing the costs identified to activities contributing

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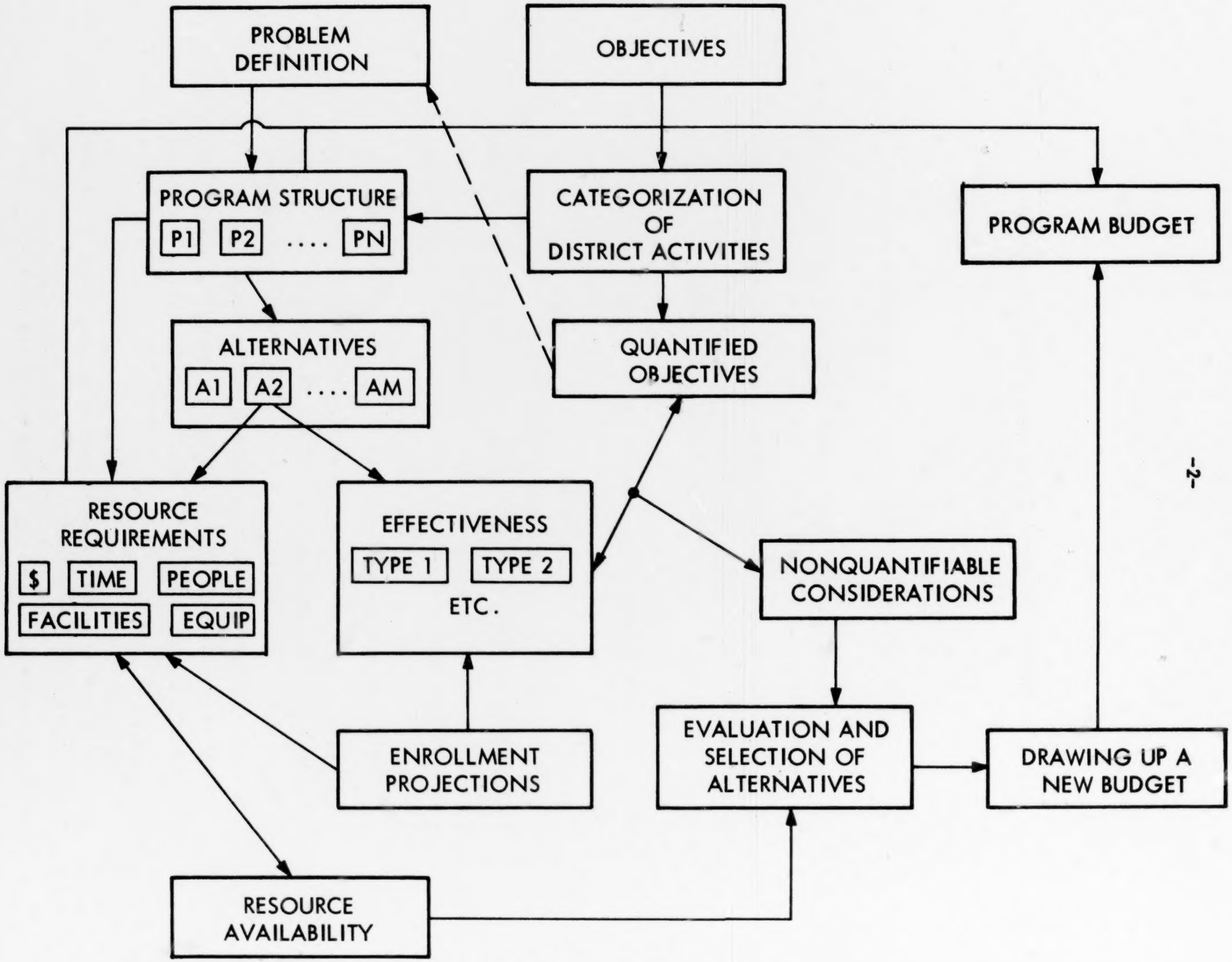
PROBLEM DEFINITION
OBJECTIVES
PROGRAM STRUCTURE
P1 P2 .... PN
CATEGORIZATION OF DISTRICT ACTIVITIES
PROGRAM BUDGET
ALTERNATIVES
A1 A2 .... AM
QUANTIFIED OBJECTIVES
RESOURCE REQUIREMENTS
$ TIME PEOPLE
FACILITIES EQUIP
EFFECTIVENESS
TYPE 1 TYPE 2
ETC.
NONQUANTIFIABLE CONSIDERATIONS
ENROLLMENT PROJECTIONS
EVALUATION AND SELECTION OF ALTERNATIVES
DRAWING UP A NEW BUDGET
RESOURCE AVAILABILITY

to specific programs. It is the display of the expenditure consequences over time of current policies and decisions. One could, of course, stop at this point and have a budget that would be a better communication device than the traditional budget. To stop, however, with what is essentially only a rearrangement of the traditional budget would be to forego other major advantages of a program budgeting system as an aid to decisionmaking.

Assume that a school district has already set up a program budgeting system and that the cost of each program in known. Suppose, also, that the effectiveness of each program has been assessed, at least qualitatively; that is, the decisionmakers in the district have judged those programs that are more successful and those programs which are less successful. These judgments are based on the decisionmaker's implicit (or explicit) beliefs as to what consitutues success. Making these beliefs explicit, in effect, provides operational and perhaps quantifiable objectives for each of the district programs. The judgments coupled with these objectives allow identification of failing programs. In addition, as time passes, the district will be confronted by other problems or issues. These problems may affect one or more of the programs or may require a rearrangement of the program structure itself.

For simplicity, assume that a problem involves only one program. More often than not, the decisionmaker will have some ideas of possible solutions to the problem; these become alternatives to the existing program, which may be considered the base case for comparison. In some instances, the analyst may propose additional alternatives with an eye to highlighting the preferred solution; this dialogue between the decisionmaker and the analyst is a pivotal activity in making the most of the program budgeting process.

Next, each alternative is translated into its future resource requirements (in terms of dollars, personnel, facilities, etc.) and into its various aspects of effectiveness. Most of the hard work of analysis occurs in these areas. A great deal of effort should be devoted to the analytical aspect of program budgeting. When the alternatives have been described and analyzed in terms of their cost

and effectiveness, they are evaluated so that the preferred alternative may be chosen. The evaluation of alternatives is not simply a matter of reviewing the results of the cost and effectiveness analyses. Resource requirements must be weighed against resource availability and estimates of effectiveness against objectives. In addition, there will usually be several aspects of cost (rather than a single cost) and several aspects of effectiveness (rather than a single measure) for each alternative. These multiple measures must be weighed against each other. The evaluation must also account for other factors and constraints which may or may not be quantifiable but are to be thought of as an integral part of the evaluation process.

A possible result of the evaluation of alternatives is that no alternative is preferred or attractive either because none can meet the criteria for effectiveness within available resources, because the only useful alternative is politically unpalatable, or for some other reason. If so, the procedure must be repeated. In this effort, the interaction of the decisionmaker and the analyst may lead to the discovery of new alternatives that are more attractive than those originally proposed. This could happen for several reasons, but the most likely one is that both the decisionmaker and the analyst have a better understanding of the problem and a greater knowledge of the capabilities and limitations of different ways to solve the problem. This is one major benefit of the analytical component of program budgeting.

On the other hand, and still part of the analytical process, the decisionmaker may need to revise his objectives because the original goals were unrealistic. It is here that the "feedback on objectives" occurs. Perhaps both the objectives and the alternatives will need revision if a solution is to be found. This iterative aspect of the analytical process reveals the close interrelationship among, and the chicken-egg relationship of, the various components of the totality of the program budgeting process.

Generally, most programs will not be subjected to such a detailed analysis because at any given time only a few programs will be problem

areas. For most programs, or program elements, the continuation of the current practice will be the preferred alternative or course of action. Once the preferred alternative is selected, the expenditure consequences of the decision are incorporated in the program budget and the changes in the description of program activities and in the statement of operational program objectives are recorded in the supporting documentation. The result, then, is an up-to-date program budget--organized information about the consequences of choices made through a systematic examination of alternatives.

A discussion of program budgeting as an analytical tool for educational planning seems to be a good place to mention the role of the analyst in the program budgeting process. There has been much discussion about whether the analyst makes policy decisions during this process. This is acutally too simple a question about a complex matter; certainly anyone who contributes to an analysis concerned with policy decisions takes part in the decisionmaking process in some sense. And, the analyst must make many decisions, himself--along the way--in translating preferred alternatives into their resource requirements, in assessing the effectiveness of alternatives, in proposing other alternatives, in evaluating alternatives, and so on.

To make these decisions, the analyst needs informed judgment; he must be familiar with the system he is analyzing and with the political and social pressures that shape its immediate and long-range problems. He does not, of course, make final choices, for he has neither the competence nor the responsibility for doing so. But just as surely, the way he shapes the analysis will influence decisions that are made. To enhance, or improve, his judgment, he must work closely with the decisionmakers who have the experience and understanding that the analyst may lack. For these reasons, the best (that is, the most influential) analysis is carried out when there is extensive interaction between the analyst and the decisionmaker.

In short, the answer to the question about the role of the analyst is that he should serve as a catalyst in the decisionmaking process. He should provide the informational bridge between the identification

of the problem and the delineation of potential solutions with the choice being made by the decisionmaker responsible for policy determination. The analyst should make known any and all assumptions made in the analysis at the time the information is presented to the decisionmaker. Nice, neat unsubstantiated results are dangerous; in the hands of a nonparticipating decisionmaker, a lazy decisionmaker, such results might be used in a way to give rise to the belief that the analyst is, in fact, "making the decision."

It is for this very reason that the idea of interaction must be stressed. Interaction and the active participation of all levels of the institution are necessary not only in the analytical aspect of the program budgeting process but also in the total planning, programming and budgeting system.